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## **American Water Adds 55,000 New Customers In 2006; Infrastructure expansions underway to support growth**

VOORHEES, N.J.--(BUSINESS WIRE)--Sept. 21, 2006--American Water, the largest water services provider in North America, has welcomed more than 55,000 new customers this year as a result of water and wastewater system acquisitions in Pennsylvania, Illinois and Hawaii, and through population growth in virtually every state where the Company operates.

"This year we're adding thousands to our growing customer base and introducing ourselves to communities looking for additional services and innovative 'green' solutions for their water and wastewater needs," said Walt Howard, senior vice president of sales and business development.

American Water strengthened its position as the leading regional water service provider in northeastern Pennsylvania following the consolidation of five water systems and a wastewater system in Monroe and Pike Counties. The company also acquired a water system in northern Illinois and a wastewater system in Hawaii this year.

"Consolidation of water systems is a viable option, especially for those communities looking for sustainable solutions for their water quality and capacity needs," continued Howard. "Being part of an American Water regional service area reassures the community of a dependable supply of safe, quality drinking water, other related services and around the clock customer service."

American Water continued to demonstrate its overall commitment to customers by investing in infrastructure and distribution facilities to meet regulatory standards, ensure quality and reliable service and support growth.

For example:

- A new \$36 million state-of-the-art regional water treatment facility serving Pennsylvania's West Shore communities was brought online earlier this year.

- Plans were announced for a new 15 mgd (million gallons per day) treatment facility to meet future demands in Illinois' growing Champaign County.

- A new treatment plant is being built on the Kentucky River to add capacity to Lexington's regional service area.

- A \$55 million plant expansion is a work in progress to increase capacity to 80 mgd at an American Water treatment plant serving Somerset County, New Jersey.

- \$44 million is being invested to upgrade American Water's Joplin, Missouri facility to boost capacity from 16 to 23 mgd.

- A 12-mile, \$9.8 million pipeline project has been completed to transfer water from a planned surface water treatment facility to Arizona's Agua Fria district and to an 8,800-acre master-planned community west of Phoenix.

- The treatment plant in Arizona is being designed to produce 15 mgd initially and can be expanded to an ultimate 80 mgd capacity to keep ahead of anticipated population growth in desert communities of southern Arizona.

American Water has a long tradition of making infrastructure investments to support growth and to meet future needs within our existing service areas. In 2006, the Company plans to invest some \$640 million in its capital expenditures program for various projects that ensure reliability, regulatory compliance, customer satisfaction and operational efficiency.

With headquarters in Voorhees, NJ, American Water is the largest provider of water services in North America. Employing approximately 7,000 and reporting \$2.2 billion in revenue, American Water provides high quality water, wastewater, and other related services to more than 18 million people in 29 states and Canada. More information can be found by visiting [www.amwater.com](http://www.amwater.com).

**Contacts**

American Water  
Kimberly Cooper, 856-346-8207  
[Kimberly.cooper@amwater.com](mailto:Kimberly.cooper@amwater.com)  
or  
Buchanan Public Relations  
PR for American Water  
Emily DiTomo, 610-649-9292  
[emily@buchananpr.com](mailto:emily@buchananpr.com)

